WOMEN ENTREPRENEURS AND MANUFACTURING SECTOR – A CASE STUDY OF THRISSUR DISTRICT (SYNOPSIS)

Enterprising entrepreneurs are the enviable treasure of any economy. They make the degree of differences in development of nations, standard of living of the people and growth potential of enterprises. But the advent of women who constitute half of the population into the realm of business leaders explodes the traditional myth of gender bias in a hierarchical society. The study of women entrepreneurs of manufacturing sector in Thrissur district of Kerala unravels the truth of their destiny as women as well as entrepreneurs. Report of the study is condemned here into ten parts to get a glance of methodology, analysis and findings of the research viz. (i) genesis of the problem, (ii) statement of the problem, (iii) objectives of the study, (iv) limitations, (v) designs and hypotheses, (vi) method of data collection and analysis, (vii) review of literature, (viii) major findings, (ix) organisation of the report and (x) conclusions.

(i) Genesis of the Problem

Role of women is considered as an important indicator of development of any society. Efforts of women to emerge as entrepreneurs should be lauded as an attempt to carve out a niche of their own in a world reserved for men in the midst of social taboos and gender discrimination. It paves way for the empowerment of women on the one hand and creation of much needed entrepreneurial input on the other. Indian women are coming out of their veil to lead the society in front, to sit in the board rooms, to undertake hightech enterprises and steer the corporate sector to amazing success. The change is visible in all walks of life in all societies. The ramifications of these changes at regional level are relevant for a detailed study.

(ii) Statement of the Problem

Entrepreneurs will not emerge automatically to develop the society though there may be born entrepreneurs. In majority of the cases entrepreneurs are the outcome of the socioeconomic conditions prevailing in the society or personal pressures of the entrepreneurs. In all the cases necessity is the mother of entrepreneurs.

Entrepreneurship is a rare breed of acumen which can totally transform the life of individuals as well as institutions by innovative and impeccable ideas. They organise, mobilize and establish enterprises with a deep drive, passion and curiosity for making life meaningful. Since men and women are not in any way different in diligence and dexterity, female entrepreneurs should also be equally excellent in their work. Hence a study of women entrepreneurs naturally pose the questions surrounding the gender and rarity of functional skill. Beyond the gender dimension and functional skill, how far their socioeconomic background, perceived push and pull factors and institutional arrangements support the emergence and existence of women entrepreneurs are also critical questions of the issues. Considering all these aspects, the problem of the study can be stated as the role of women as entrepreneurs in terms of functional proficiency, determinants of entrepreneurship and support system prevailing for them. The study was conducted in the regional context of Thrissur district of Kerala and sectoral context of manufacturing enterprises.

(iii) Objectives of the Study

Major objectives of the study were the following:

a) To examine the functions of women entrepreneurs in organising and conducting the business enterprises in the manufacturing sector of Thrissur district in Kerala State.

b) To identify the internal and external factors influencing the women entrepreneurship in the study region.

c) To highlight the institutional and organisational support system prevailing to protect and promote women entrepreneurs.

(iv) Research Design and Hypotheses

Design of the study was basically exploratory and diagnostic. The very objective of research was to examine how women entrepreneurs made meaning of the changes they experienced as a result of starting a business of their own. Being small scale entrepreneurs, their proficiency, drive and perceptions were naturally not of daring entrepreneurs of gigantic enterprises. However study was designed to get the level of functions undertaken, various traits, character etc. with objective parameters.

Since the social fabric of Kerala is advanced with high Human Development Index, it was hypothesized that selected women entrepreneurs had no gender inhibitions in their actions and beliefs. It was also assumed that their functional proficiency were at satisfactory level. Organisational and institutional support systems were also might be in tandem with requirements of entrepreneurs.

(v) Method of Data Collection and Analysis

Women units registered with District Industries Centre, Thrissur during 1991-2008 constituted the sampling frame. From this list of entrepreneurs, 40 sample units in manufacturing sector each were randomly selected from the five taluks of the district (multistage random sampling method), making the sample size into 200. Sample unit was defined as women entrepreneur who was managing units independently, employing one or more persons, registered with more than three years of existence and not

self employed single individual units. Period of study was 2007-2008. Primary data were collected with pretested structured interview schedule.

Key variables selected for the study were socioeconomic profile of the entrepreneur, details of enterprises, 51 functional variables, the parameters of character, value and habits, details of supporting organisation and institution, pull and push factors of entrepreneur, perception and opinion, problems of enterprises, etc.

Data were analysed with simple statistical tools like average, percentage, chart and indices. Association of business condition of unit with independent variables like size and type was tested by using Chi-square test. For comparison of sales turn over with different types of units, t-test was used. Functional proficiency of entrepreneur was estimated by translating each function into seven or eight relevant objective parameters and comparing actual scores obtained in each parameter to maximum score available as a percentage. Simple Index of each function was summated to Entrepreneurial Functional Desirability Index as a Composite Index.

Entrepreneurial Quotient was based on competency (six functional indices) and 14 objective parameters for character, values and habits. EQ was an index as a percentage of actual score to maximum score. Based on the value of EQ, entrepreneurs were classified into excellent (about 90%), innovative (70% to 80%), daring (50%-70%), novice (40%-50%) and docile (below 40%).

(vi) Scope/Limitations of the Study

The dimensions of both women as a gender and entrepreneurs as a function were analysed in the study. Entrepreneurs themselves being limited and entry of women for economic independence is rare, study of women entrepreneurs deserved much significance. All entrepreneurial functions like

organising, operation, investment, finance, production and marketing were examined. Since successful entrepreneurs are moulded by character, values and habitual traits along with functional competency, study had examined and analysed those parameters also. Besides the personal attributes, external environment was also studied in the name of institutional and organisational support system to entrepreneurs.

Self employed individual entrepreneurs were excluded from the study as well as enterprises having less than three years of inception. Only entrepreneurs in the manufacturing sector of Thrissur district of Kerala were the context of the study. Entrepreneurs rather than enterprises were the primary focus of the study. Being entrepreneurs of small scale enterprises, many of them had not maintained proper records and some others had natural hesitation to disclose the economic details. Functional proficiency and entrepreneurial quotient were also compared with assumed level of satisfactory performance based on given scores obtained than the same parameters of their counterparts which were not part of the study.

(vii) Review of Literature

Majority of the studies of entrepreneurs are about owners of small scale enterprises. Of course they are the backbone of any economy. Women are exercising their entrepreneurial abilities with more experience and education to face the challenges of business world. Review was made on works related to (a) factors determining women entrepreneurs, (b) functions of women entrepreneurs and (c) support agencies.

Though studies on women have been developed as a major plank, research on women entrepreneurs are scarce and scattered, covering limited areas and interest. Review had revealed that family background, institutional support and government policies were important for women entrepreneurs. Though personal attributes were important, market forces were equally

determining. Review had enabled to list entrepreneurial requirements than methodology of the study.

(viii) Major Findings

Entrepreneurial functions, determinants of entrepreneurship and support systems are the contents of the analysis chapter. As a prelude to find out the proficiency and factors influencing the selected entrepreneurs, their socioeconomic characteristics were examined and analysed with eight variables like age composition, religion, literacy, marital status, number of children, annual family income, family structure and experience in the business field. The lion's share of the respondents belonged to an age group of 31 years to 50 years (76%), Hindu religion (58%), SSLC and above education (83%), married (93%), two children (59%), annual income of Rs.60,000-Rs.1,20,000 (54%), nuclear family (76%) and experience in business for five and more years (74%).

Basic features of the selected enterprises were analysed in terms of (a) forms of business organisation, (b) size of operation, (c) nature of employment and (d) schemes of assistance. PMRY Scheme (23%) and SSI scheme (21%) were the major schemes of assistance, though there were a dozen other schemes to assist women entrepreneurs. However 44.5% of them did not applied and availed assistance under any scheme. Individual proprietorship was the major form of business organization (84%), with micro enterprises having less than Rs.25 lakhs as initial investment dominated (63%) among the total number of units. Nature of employment was basically permanent in nature to 70% of the staff.

Essential functions of the entrepreneurs were broadly classified into (a) organisational, (b) operational (c) investment, (d) production, (e) financial and (f) marketing. Functional Desirability Index (FDI) was calculated as a percentage of actual score obtained by the number of positive responses to

given objective parameters in the form of statements to the maximum score possible with positive scores to all statements. For instance, since there were nine statements to measure organisational function, the maximum score was 1800 for 200 selected respondents being the sample size. FDI was calculated for all six functions taken for study to measure entrepreneurial acumen.

FDI of organising function was based on objective parameters like (a) role in production selection, (b) role in project formulation/report preparation, (c) mobilization of finance, (d) preparatory function to start enterprise, (e) planning, (f) decision-making, (g) risk bearing, (h) organisation and(i) innovation. The simple index for organising function was 65.89%. The selected respondents scored the least in role in project formulation/report preparation (26%), and innovation (24.5%). But their fuller involvement was in product selection (100%) and preparatory functions to start enterprise (94%).

Desirability index for Operational Function was based on seven parameters viz. (a) ensure availability of raw materials (b) idea about production process, (c) initiative to tailor products to customer needs, (d) share ideas to improve process, (e) concern for health and safety of employees, (f) environmental concern and (g) avail cost reducing ideas. FDI calculated for operational functions showed that the selected entrepreneurs had an average proficiency level of 67.2% compared to expected level.

Along with FDI of operational function, other variables analysed were (a) type of products selected, (b) reasons for selecting a particular business, (c) location of units and (d) reasons for locational preference. Though there were more than 30 types of units, major share was occupied by food processing units (32%) and garment making (21%). Other major type of units were book/paper, plastics, herbal products, etc. Electrical/electronic products, cooker units, cattle feed manufacturing and machine manufacturing units were

also attempted by women. Major reasons to select a product were easiness to set up (20%), availability of technical knowhow (17%), family related business (17%) and personal interest in the nature of business (15%).

FDI in Investment Function was analysed with seven parameters such as (a) monitoring cost and budget, (b) actual investment in accordance with planned investment, (c) enterprise has an investment programme, (d) timely assessment of investment needs, (e) idea about cash flow and cost investment, (f) familiarity with pre-investment analysis and methods and (g) knowledge about alternative source of investment. By analysing the data, it was found that the proficiency of the selected entrepreneurs in undertaking investment function was only 50.4% of the expected level.

Investment function was also analysed with (a) initial investment, (b) capital stock and (c) loan availed. The initial average investments for 80% of the entrepreneurs were below Rs.2 lakhs. However, 52% had increased their capital stock to Rs.25 lakhs or more. Loan availed ranged from Rs.92,000 to Rs.50 lakhs.

Production Function Desirability Index was based on eight parameters viz. (a) role in selecting production system, (b) plan and control resources for production, (c) role in selection of materials, methods and machines (d) estimate production target and delivery, (e) know movement of raw materials till finished products, (f) inspect plant and store, (g) adopt system to improve standard and (h) plan for expansion and modernization of units. FDI of production function indicated that entrepreneurs in general had taken much care in this activity with an index of 72.71%. The least attended areas of production function were lack of system to improve standard and attention on flow of raw materials to finished product.

Production function was also analysed with variables like (a) method of production, (b) time devoted for management and (c) expansion

programmes. Modern method of production was pursued by 64% of the units while 12% followed both modern and traditional. About 92% of the entrepreneurs spent six or more hours in managing production related function. Expansion/modernization programmes were visualised by majority (74.5%) for increased productions diversification, modernisation or a combination of all these ideas.

Marketing is the key to any business programme. Marketing Functional Desirability Index was estimated with seven parameters such as (a) knowledge about where and when to sell, (b) make avail regular sales reporting, (c) consider customer and after sales service as important, (d) constant touch with distributional channels, (e) involve in sales promotion strategies, (f) interested in market planning and analysis and (g) know proper marketing mix of product, price etc. Data analysed showed that marketing function of the selected entrepreneur (54.21%) were not upto a high standard.

Marketing strategy, distribution channel and promotional activities were also examined. The spatial spread of the product sales showed that 51% of the products were locally sold and another 27% was sold within the district or local. As far as distribution channels were concerned 77% of the products were sold at unit level or agency level. Sign boards were used by 41% and 21% advertised in local newspapers.

Finance holds the touching stone to test the viability and survival of all business. Financial Functional Desirability Index is different from Investment Index to the extent that former is about meeting financial requirements of the firm while the later deals only with investment needs for development and long term perspective. The seven important financial functions enumerated in the study were (a) monitor regular and adequate flow of fund, (b) ensure adequate returns, optimum fund utilisation and safety of investment, (c) sound capital structure, (d) ability to estimate capital requirement, composition and

sources of fund, (e) know the disposal of surplus fund, (f) manage cash properly and (g) financial control of cost, revenue and profit. Analysis of the data highlighted that FDI in financial Function was 62.1% with estimation of capital requirement (38.5%) and idea about financial control (41%) reported low in proficiency.

Financial function was also analysed with business condition of the unit, sales turnover and net monthly income. About 69% of the proprietorship and 60% of other forms of business organization were running at profit. By testing the relation of business condition with forms of business organisation and size of business, it was found that there did not exist any significant relation. T-test had also shown that there was no significant relation in monthly sales turnover and forms of business organization.

Besides the entrepreneurial functions, the third chapter also analysed opinions, perceptions and problems. Opinions of entrepreneurs about enterprise management were collected on nine issues. Opinion index was calculated as actual score for nine statement divided by maximum possible score. Opinion index was 82.72% indicating high level of positive attitude towards enterprise management. The maximum score (97%) was secured by the statement that gender was not a handicap in job, followed by equal status in decision making at home (93.5%), enterprise was manageable (93.5%) and satisfaction derived from business (90.5%).

How the entrepreneurs look at entrepreneurial issues were examined with nine statements. The perceptions of the respondents were recorded as negative (No), positive (Yes) or no idea about the issue. Statements framed as positive answers (Yes) to statement indicated desirable perception. Maximum desirable score value was 1800. Analysis showed that perceptions regarding entrepreneurial issues were unsatisfactory with an index of 49.5%. Main reason for dissatisfaction and resultant negative perceptions were (a) problem

of management training, (b) belief that women could not survive without family support, (c) insufficient policy protections for women and (d) difficulty in acquiring technical knowhow.

Chapter four is explaining the factors influencing women entrepreneurship and institutional support system for them at present. The factors which shaped the business life of selected entrepreneurs were classified into basic factors, internal factors, external factors and support systems. Internal factors were both pull and push factors. Among the pull factors, to earn money was the most important determinant followed by urge for independence, desire to provide employment to others, to get full engagement etc. Intention to gain higher social status, encouragement from others to start business and ambition to do something meaningful in life also were pull factors to start the business. Women were pushed into business by economic circumstance or fate. Death and ill health of bread winner were major push factors for women to steer enterprises. Divorce, unemployment, dissatisfaction with present occupation, idea to use idle fund, diversification of economic interest, opportunity to use educational skill, etc. were major push factors which put women into the realm of enterprises.

External factors were classified into facilitative, motivational, financial, spatial and societal. Major facilitating factors which influenced the selected women entrepreneurs were training facilities, availability of financial/technical assistance, existence of skilled labour, support of dependable persons, etc. Major motivational factors which influenced to start the unit were previous experience in manufacturing units and success stories of other entrepreneurs. Majority of the entrepreneurs received institutional or non institutional financial help to start the business. Spatial factors were proximity of enterprise to residence, place of availability of inputs, adjascence to market, transportation, etc. Women working under the family had greater social protection. According to the respondents, the crucial factors for the

success/survival of entrepreneurs were (a) self confidence, (b) hardwork, (c) family support and (d) risk taking in order of ranks.

Institutional agencies for the development or promotion of women entrepreneurship are governmental or non governmental at national or regional levels. International agencies and associations of women entrepreneurs also extend support to women entrepreneurs. At the national level, major governmental agencies were SIDO, NSIC, SISI, KVJC, NSFDC, etc. Nationalized Banks, Development Banks, entrepreneurial schemes of GOI and regional units of MSME, KVIC, KITCO, nationalised banks did a lot. About 73% of the respondents believed that supporting agencies had significant role in promoting enterprises and majority (91%) believed that there should be exclusive supporting agency for women entrepreneurs than separate schemes of assistance.

Entrepreneurial Quotient (EQ) was calculated on the basis of competence, character, values and habits. Competence was represented by six FDI indices and others were quantified with 14 objective parameters. EQ was a simple index based on actual score as a percentage to expected or maximum value. Entrepreneurs were classified into five classes on the basis of percentages of EQ as (a) excellent (above 90%), (b) innovative (90%-70%), (c) daring (70%-50%), (d) novice (50%-40%), and (e) docile (below 40%). The EQ of the selected enterprises in general was 51.03% of which 53% of them had an EQ above 50% (14% of innovative and 39% of daring entrepreneurs).

(ix) Conclusions

The study of women entrepreneurs of small scale enterprises in manufacturing sector had revealed that women vary widely in their functional efficiency, push and pull factors influencing the origin of each entrepreneur and support they receive from family, society and institutions. Small scale

enterprises with relatively limited investment, production, market and area of operation demand much less from an entrepreneur whether it is competency or value or innovativeness. But their self confidence, purpose and ambition should be admired. What seems to be fetching in vacuum is a strong support system and institutional arrangements for assistance, skill and knowledge. Though the selected women entrepreneurs had no gender inhibitions as hypothesised, their functional proficiency and support system were not upto the expected level as assumed.

(x) Organisation of the Report

The report is organized in five chapters, of which the first chapter was meant for the methodology and design of the study, followed by the second chapter on perspective and practice of women entrepreneurs as a theoretical framework. Third and fourth chapters examined and explained the data analysed to explore the objectives of the study like functions of the women entrepreneurs, determinants of women entrepreneurship and institutional support system. Fifth and the last chapter contained the summary of findings and suggestions, followed by bibliography, annexures, etc.

(xi) Signature of the Candidate

(xii) Signature of the Guide/Co-Guide

(xiii) Signature of the Head of the Institution

where the Research has been conducted.